

## UNOFFICIAL TRANSLATION

The Military Equipment Ordinance (1992:1303)  
with amendments up to and including SFS 1997:124  
(Swedish Code of Statutes)

**Introductory Provisions****Section 1**

The Military Equipment Act (1992:1300) applies to equipment listed in the Annex to this Ordinance. Such equipment is classified either as combat equipment or other military equipment.

**Section 2**

In this Ordinance, the term small arms refers to pistols, revolvers, rifles, carbines and sub-machine guns which may be regarded as personal portable weapons and which can be employed without a gun-carriage or stand.

**Manufacture****Section 3**

A permit issued in accordance with Section 3 of the Military Equipment Act (1992:1300) is not required for the modification or conversion of small arms which are not fully automatic or for the manufacture of individual weapons of this type.

In applying the new Act, a permit issued under previous legislation shall be regarded as issued under the new Act.

As regards permits to manufacture military equipment granted to Swedish joint stock companies or trading partnerships prior to 1 January 1993, the National Inspectorate of Strategic Products may decide that previously stipulated conditions regarding ownership should be modified. For permits granted to Swedish joint stock companies prior to the above date, the Inspectorate may furthermore decide that such permits shall include the condition that new members of the board and their deputies as well as the managing director of the company must be Swedish citizens and resident in Sweden. The permit may be withdrawn if such conditions are ignored.

The provisions contained in Section 9 shall be applied to agreements of the type covered by Section 7 or 8, even if a permit was not required for such an agreement under previous regulations.

1995:1659

1. This Act enters into force on 1 February 1996.
2. Fees for 1996 in accordance with Section 22 shall be assessed for the period February-December. A manufacturer shall be liable to pay a fee if the invoiced value of product sales during the period exceeds eleven twelfths of SEK 2,500,000.

## UNOFFICIAL TRANSLATION

The Military Equipment Act (1992:1300)  
with amendments up to and including SFS 1996:68  
(Swedish Code of Statutes)

**Introductory Provisions****Section 1**

This Act covers weapons, ammunition and other matériel designed for military use which constitute military equipment in accordance with regulations issued by the Government.

Permits under this Act may only be granted for security policy and defence policy reasons and provided they do not conflict with Sweden's foreign policy.

**Section 1a**

The National Inspectorate of Strategic Products shall examine questions concerning permits, prohibitions and exemptions in individual cases under this Act.

The Inspectorate shall submit a matter, with a statement, to the Government for consideration if the matter is of principle significance or is otherwise of special importance.

The Government may issue additional regulations regarding the submission of matters to the Government.

**Definitions****Section 2**

The following definitions apply in this Act:

**manufacture:** the production of matériel or parts thereof which constitute military equipment,

**supply:** sale, transfer, offer for sale, loan, gift or intermediation,

**manufacturing right:** any right to manufacture military equipment.

## **Manufacture**

### **Section 3**

Military equipment may not be manufactured in Sweden unless a permit is granted.

The Government may issue regulations concerning exceptions to this requirement for a permit with respect to:

1. modification or conversion of firearms in cases referred to in Chapter 4 Section 1 of the Weapons Act (1996:67),
2. manufacture of firearms on a one-off basis and of ammunition for the maker's personal use,
3. manufacture for medical or pharmaceutical purposes or for research purposes of at most 100 grams per year of chemical products classified as military equipment.

The provision contained in the first paragraph does not apply to government authorities which are not public companies.

## **Supply**

### **Section 4**

Activities which involve the supply of military equipment, inventions concerning military equipment and methods for the production of such equipment may not be conducted in Sweden unless a permit is granted.

Swedish authorities, Swedish companies and persons who are resident or permanently domiciled in Sweden may not conduct such activities abroad either, without a permit.

The provisions contained in the first and second paragraphs do not apply to government authorities which are not public companies.

Permits in accordance with the first or the second paragraph are not required for activities involving the supply of military equipment to Swedish central government authorities or to manufacturers which have a permit to manufacture military equipment of the type supplied. Nor is a holder of a manufacturing permit required to have a permit as described in the first or the second paragraph if activities involve the supply of military equipment which is the property of the permit holder and which is located in Sweden or the supply of an invention or a method for the production of military equipment to Swedish central government authorities or to manufacturers which have permits to manufacture military equipment of the type supplied.

The Government may issue regulations concerning exceptions to the requirement for permits in accordance with the first and second paragraphs, for such trade in firearms as is regulated by the provisions contained in the Weapons Act (1996:67) or such handling of ammunition or other explosives which are regulated by the provisions contained in the Act concerning Inflammable and Explosive Goods (1988:868).

#### **Section 5**

Swedish authorities, Swedish companies and persons who are resident or permanently domiciled in Sweden may not supply to a person or entity abroad military equipment located abroad or an invention pertaining to military equipment or a

production method for such equipment without a permit for the specific case in question.

## **Export**

### **Section 6**

Military equipment may not be despatched abroad without a permit except as a consequence of this Act or other legislation. In the case of computer software, transmission abroad by means of telecommunications or by any similar method is equivalent to exportation.

The Government or an authority designated by the Government may issue regulations for the exportation of:

1. firearms and ammunition pertaining thereto for personal account, and also firearms and ammunition pertaining thereto, for use in hunting, competition or target practice abroad,
2. firearms for repair, overhaul or similar measure,
3. firearms brought into Sweden for measures covered by sub-section 2,
4. hunting and competition firearms and ammunition pertaining thereto which have been brought into the country in accordance with the provisions contained in Chapter 2, Section 13b, of the Weapons Act (1996:67).

## **Licensing Agreements, etc**

### **Section 7**

An agreement involving the granting or transfer of manufacturing rights to a person or entity abroad may not be entered into in Sweden without a permit.

Swedish authorities, Swedish companies and persons who are resident or permanently domiciled in Sweden may not enter into such agreements abroad either, without a permit.

### **Section 8**

An agreement with a person or entity abroad concerning the development, jointly or on behalf of that person or entity, of military equipment or of production methods for such equipment, or concerning the joint manufacture of military equipment, may not be entered into in Sweden without a permit.

Swedish authorities, Swedish companies and persons who are resident or permanently domiciled in Sweden may not enter into such agreements abroad either, without a permit.

### **Changes in Agreements, etc**

#### **Section 9**

Agreements concerning a supplement to or modification of an agreement of a nature which requires a permit in accordance with Section 7 or 8 may not be entered into without a permit if such supplement or modification involves:

1. the equipment covered by the agreement, previously specified,
2. the granting or transfer of rights under the agreement to third parties,
3. the right to supply military equipment to a recipient not previously specified,
4. the extension of the validity of the agreement, or
5. provisions regarding the protection of secret information.

### **Training with a Military Purpose**

#### **Section 10**

Training with a military purpose of persons who are not Swedish citizens may not be conducted in Sweden without a permit.

Swedish authorities, Swedish companies and persons who are resident or permanently domiciled in Sweden may not conduct such training abroad on a professional basis without a permit.

A permit is not required for training arranged by government authorities which are not public companies, or which is arranged in connection with the sale of military equipment or for employees in companies which have a permit to manufacture military equipment.

#### **Marketing, etc**

##### **Section 11**

A person or entity granted a permit in accordance with Section 3 or 4, and also Swedish government authorities conducting corresponding activities, shall report to the National Inspectorate of Strategic Products in the form prescribed by the Government on:

1. the marketing of military equipment conducted abroad,
2. measures aimed at concluding an agreement which is subject to a permit in accordance with Section 7 or 8.

The Government may issue more precise regulations regarding the obligation to report and any exemptions from such an obligation. In particular cases, the National Inspectorate of Strategic Products may also allow exemptions from such an obligation to report.

## **Tendering, etc**

### **Section 12**

A person or entity granted a permit in accordance with Section 3 or 4 as well as Swedish government authorities conducting corresponding activities, shall notify the National Inspectorate of Strategic Products prior to submitting a tender, or, in a situation in which tendering procedures do not apply, prior to entering into an agreement concerning:

1. the supply of military equipment to a person or entity abroad,
2. the granting or transfer of manufacturing rights covered by Section 7, or
3. the manufacture or development of military equipment or of a method for the production of military equipment covered by Section 8.

The Government may issue more precise regulations concerning the deadline for notifications and any exemption from the obligation to provide a notification. In particular cases, the National Inspectorate of Strategic Products may also grant exemptions from the obligation to provide a notification.

In particular cases, the Inspectorate may prohibit the submission of a tender or the establishment of an agreement as covered by the first paragraph.

## **Conditions, etc**

### **Section 13**

A permit granted under Section 3 or 4 to a Swedish joint stock company may include a requirement that only a certain proportion of shares may be held, directly or indirectly by foreign legal entities. A permit may also include requirements under which the managing director of

the company, members of the board and their deputies must be Swedish citizens and resident in Sweden.

Conditions with respect to ownership may also be applied in permits granted to trading partnerships in accordance with Section 3 or 4.

#### **Section 14**

Permits granted in accordance with Sections 3-10 may be subject to other requirements than those referred to in Section 13, and may also include supervisory and procedural regulations.

#### **Section 15**

Permits granted in accordance with Sections 3 and 4 may be granted for a specified period of time or until further notice.

#### **Cancellation**

#### **Section 16**

Any permit granted in accordance with Sections 3-10 may be cancelled if the permit-holder has disregarded a regulation contained in this Act, or a regulation, requirement or provision issued under the Act or if there are other special reasons for such cancellation.

A permit to enter into an agreement granted under Section 7, 8 or 9 may not be cancelled if the agreement has already been entered into.

Cancellation takes effect immediately unless some other arrangement is decided.

#### **Obligation to Provide Notification of Ownership in a Foreign Legal Entity**

#### **Section 17**

A person or entity granted a permit under Section 3 or 4, as well as a Swedish government

authority conducting corresponding activities without requirement of permit, shall in accordance with regulations issued by the Government supply information to the National Inspectorate of Strategic Products concerning ownership in foreign legal entities involved in the development, manufacture, marketing or sale of military equipment.

### **Supervision and Obligation to Provide Information**

#### **Section 18**

A person or entity granted a permit under Section 3 or 4 shall be subject to supervision by the National Inspectorate of Strategic Products. The Government may issue regulations for such supervision.

#### **Section 19**

A person or entity granted a permit under Section 3 or 4 shall in accordance with the detailed regulations issued by the Government, submit to the National Inspectorate of Strategic Products, a solemn declaration on oath regarding the activity for which permission has been granted.

The Government may issue regulations specifying exemptions from the obligation to submit such a declaration.

The Government may issue regulations obliging:

1. a person or entity with a permit granted under Section 6 to provide information regarding military equipment which has been despatched abroad,
2. a person or entity with a permit granted under Section 7 or 8 to provide information regarding agreements which have been entered into.

#### **Section 20**

At the request of the National Inspectorate of Strategic Products, a person or entity with a

permit granted under Section 3 or 4 shall submit information and documents required for inspection and give the Inspectorate access to the premises at which business operations are conducted. The Inspectorate is entitled to make use of the assistance of other government authorities in fulfilling its function.

#### **Section 21**

If there is a change in the circumstances described in the application for a permit, the person or entity granted permission under this Act is obliged to notify such a change to the National Inspectorate of Strategic Products in accordance with the regulations issued by the Government.

If the permit refers to the manufacture of chemical products, the holder of the permit shall notify the National Inspectorate of Strategic Products of changes in activities planned for the current calendar year in accordance with the regulations issued by the Government.

#### **Section 22**

In order to cover public expenditure for the National Inspectorate of Strategic Products, a person or entity with a permit to manufacture military equipment granted under this Act or a person or entity that manufactures products coming under the supervision of the Inspectorate in accordance with Section 16 of the Strategic Products Act (1991:341) is to pay an annual fee, if the invoiced value of the manufacturer's sales of products of this type exceeds SEK 2,500,000 during the year. The Inspectorate determines the fee for all manufacturers on the basis of their proportion of the invoiced value of sales of military equipment.

## **Audit Control**

### **Section 23**

If an auditor in the course of his scrutiny comments on a company's compliance with the provisions of this Act, and such comment has been presented in an audit report as described in Chapter 10, Section 10 of the Companies Act (1975:1385) or Chapter 4, Section 10 of the Act concerning Annual Reports, etc in Certain Companies (1980:1103), he shall immediately despatch a copy of the audit report to the National Inspectorate of Strategic Products. An auditor for a Swedish government authority has a corresponding obligation.

## **Appeal**

### **Section 23a**

An appeal may be lodged with a general administrative court against a decision by the National Inspectorate of Strategic Products to cancel a permit under Section 16 or to determine a fee under Section 22.

Review dispensation is required in the case of appeal to an administrative court of appeal.

Appeals may not be lodged against other administrative decisions.

## **Provisions concerning Liability, etc**

### **Section 24**

Provisions concerning unlawful exportation and attempted unlawful exportation are covered by the Act on Penalties for the Smuggling of Goods (1960:418).

### **Section 25**

A person or entity contravening any of the Sections 3-5 or 7-10 or a prohibition issued under Section 12 is sentenced to

1. a fine or imprisonment of not more than two years if the offence is intentional,
2. a fine or imprisonment of not more than six months if the offence is the result of negligence.

A person or entity intentionally misleading the National Inspectorate of Strategic Products or the Government into granting a permit in accordance with any of the Sections 3-5 or 7-10 and thus causing a contract to be fulfilled or supply to be implemented will be sentenced to a fine or to imprisonment of not more than two years. If the offence is the result of negligence, a fine or imprisonment of not more than six months will be imposed.

Sentence will not be passed in cases where the offence is minor.

### **Section 26**

If an offence covered by Section 25 has been committed intentionally and is to be considered a serious offence, the sentence shall be imprisonment of not less than six months and not more than four years.

In assessing whether the offence is of a serious nature, the court shall take into account whether the offence involved substantial pecuniary value, whether the offence was of considerable scope or duration or whether the offence was of a particularly serious nature in other respects.

### **Section 27**

A sentence of a fine or imprisonment of not more than six months shall be imposed on a person or entity which intentionally or as a result of negligence

1. fails to submit notification in accordance with Section 12 or to submit information in accordance with Section 17,

2. fails to provide notification under Section 21,

3. in cases not covered by Section 25 or 26 submits incorrect information in an application for a permit or in any other document which is relevant for consideration of a matter subject to this Act, or which is otherwise submitted to the supervisory authority,

4. disregards a condition or contravenes a supervisory or procedural regulation issued under this Act.

Sentence will not be passed in cases where the offence is minor.

#### **Section 28**

Sentence will not be passed under this Act if the offence is punishable under the Penal Code.

#### **Section 29**

Proceeds resulting from an offence covered by Section 25 or 26 shall be declared confiscated unless this is clearly unreasonable.

#### **Section 30**

Public prosecution for an act in contravention of Section 3 or 4 may only be instituted if permission is granted by the supervisory authority.

#### **Provisional regulations**

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This Act enters into force on 1 January 1993 when the Act concerning Control of the Manufacture of Military Equipment and Related Matters (1983:1034) and the Act concerning Prohibition of the Exportation of Military Equipment and Related Matters (1988:558) shall cease to apply.